

FEDERAL ISSUES

MAY 2003



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FEDERAL ISSUES

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REDESIGN OF COUNTY HEALTH CARE SYSTEM

County Position

Support additional sources of revenue and continued reforms for the County's health care system.

Urge expedited Federal review and approval of a proposal that the State and County will be submitting to increase flexibility over how Disproportionate Share Hospital (DSH) payments are made.

Background

In January 2002, the County projected a shortfall of over \$700 million in its health care system by Fiscal Year (FY) 2005-06, a deficit that was confirmed by the independent California State Auditor. In June 2002, the Board of Supervisors adopted a plan to reform and redesign the County health care system and address this deficit through \$357.5 million in reductions and reforms. Additionally, the Board placed Measure B, a property tax increase to finance improved trauma care and bioterrorism preparedness, on the November 2002 ballot where it was overwhelmingly approved by voters. Measure B will generate about \$168 million in local revenue annually. Through these actions, the health care system's budget gap has narrowed.

Recently, the Centers for Medicare and Medicaid Services (CMS) and the State of California reached agreement on the renewal of the State's Selective Provider Contracting Program (SPCP) waiver for two years. This is another element in shoring up the County's safety net. Under this extension and transition agreement, Los Angeles County's health care system will receive additional funding to assist in stabilizing its health care safety net by preserving emergency and trauma care in four County hospitals and our current ambulatory care program for the short term.

The County appreciates Federal and State efforts to help secure the SPCP waiver renewal. The extra benefit under the extension and transition agreement to the County's health care system includes (subject to court approval) a one-time \$50 million payment directed to Los Angeles County under the terms of the settlement of the Orthopaedic lawsuit related to outpatient Medi-Cal payment rates. The County's hospitals will also receive an additional \$50 million in supplemental Medi-Cal inpatient payments in both FY 2002-03 and FY 2003-04. The State of California has indicated that it will allocate an additional \$100 million in funding over two years to Los Angeles County from SPCP funds. This makes the total direct benefit to Los Angeles County \$250 million under the extension.

Under the extension agreement and transition document, there is also a State and Federal commitment to pursue flexibility and reform in the Medicaid Disproportionate Share Hospital (DSH) Program for Los Angeles County to support outpatient care and related system reforms. In the very near future, the State will be transmitting the

County's DSH reform proposal to CMS. The County's proposal is modeled on what was done for other jurisdictions, such as St. Louis, and it will not increase overall Federal Medicaid DSH payments to California. It only will allow our County to retain those funds necessary to support outpatient care and related system reforms.

Separately and pursuant to Governor Davis' November 2002 plan to assist safety net systems throughout the State, the State and County are working on a number of other funding sources to stabilize Los Angeles County's health care system beyond the two years under the SPCP Waiver. In addition to the County's DSH flexibility proposal, these sources of funding include increasing Medi-Cal rates to government operated Medi-Cal managed care programs, and the pursuit of federal Medicaid matching funds for a portion of voter-approved Measure B.

Additionally, the County supports reform of Medicare graduate medical education (GME) financing to ensure that the County's teaching hospitals receive more equitable GME payments in comparison to other California hospitals.

FOR FURTHER INFORMATION, PLEASE CONTACT DAVID JANSSEN, CHIEF ADMINISTRATIVE OFFICER AT (213) 974-1101, OR TOM GARTHWAITE, M.D., DIRECTOR AND CHIEF MEDICAL OFFICER, DEPARTMENT OF HEALTH SERVICES, AT (213) 240-8101.

HEALTH CARE FINANCING

County Position

Support restoration of Medicaid Disproportionate Share Hospital (DSH) funds which were cut effective in Federal Fiscal Year (FFY) 2003.

Support an increase in the Federal Medicaid match rate for California.

Support increased local flexibility in operating the Medicaid Program.

Background

Los Angeles County's Department of Health Services (DHS) runs the second largest public health system in the nation and serves as the primary health care provider for 2.5 million County residents without health insurance. Over one-fourth of the County's total population is uninsured, which is more than twice the national average. In a single year, DHS provides about three million ambulatory care visits, 110,000 hospital admissions, 300,000 emergency room visits, and 500,000 public health visits. It also provides nearly one-half of all trauma care delivered to the County's nearly ten million residents.

Despite the recent Federal Medicaid waiver obtained by the County, its health care system continues to face fiscal challenges and is in need of additional financial assistance from its Federal and State partners. A number of initiatives are pending at the Federal level. A Bush Administration proposal, which has not yet been introduced as legislation, would give states the option to receive greater flexibility over Medicaid in exchange for having their funding capped for ten years. Pending Congressional Medicaid financing bills include those which would increase Medicaid Disproportionate Share Hospital (DSH) funding and increase the Federal Medicaid match rate.

The following Federal actions are needed to help stabilize funding for California's and the County's health care system:

Medicaid DSH Funding: The 1997 Balanced Budget Act contained a five-year reduction in annual allotments to states under the Medicaid DSH program, which provides supplemental payments to hospitals serving a large percentage of low-income patients. In FFY 2000, Congress enacted a two-year freeze which prevented further cuts through the end of FFY 2002. Because that freeze has expired, California's FFY 2003 DSH allotment has been cut by \$184 million, of which the County will lose about \$32 million. The DSH freeze should be made permanent to avoid a major loss of needed revenue for all hospitals, including the County's, which serve a disproportionately high share of Medicaid and indigent patients. The County already faces a massive revenue shortfall due to unstable and declining Federal and State revenue.

Federal Medicaid Match Rate: Nationwide, states are facing their largest budget deficits since World War II. California alone has an estimated budget shortfall of \$35 billion. Without fiscal relief, California and most other states will have to cut their state Medicaid spending which, in turn, will mean less Federal matching funds. Bipartisan bills have been introduced to temporarily increase the Federal Medicaid match rate ("FMAP"), which varies from 50% to 83%, based on a state's per capita income. Because California has a relatively high per capita income, its FMAP is only 50% even though its poverty rate is higher than two-thirds of all states. The poverty rate more accurately measures the relative need for Medicaid services than does the per capita income. Increasing California's FMAP would raise its Federal Medicaid funding per recipient, which currently is the lowest of any state, closer to the national average.

Increased Program Flexibility: Recently surpassing Medicare as the nation's single largest health insurer, Medicaid continues to emphasize more costly inpatient care and have bureaucratic barriers that make it difficult for the County to access and use Medicaid funds in the most cost-effective and clinically appropriate manner. The County supports increased local flexibility over the use of Medicaid funds without capping overall Federal and State funding. For example, such flexibility should include the ability to expand eligibility and the scope of services, or to use DSH funds in a more flexible manner to support outpatient care and related County health care system reforms.

Status

Bipartisan bills, H.R. 328 (Whitfield, R-KY) and S. 652 (Chafee, R-RI), to restore DSH funding, and H.R. 816 (King, R-NY) and S. 138 (Rockefeller, D-WV), to temporarily increase the Federal Medicaid match rate, have been introduced. Committee action has not been scheduled on these bills, which may be incorporated into Medicare/Medicaid or budget reconciliation legislation later this year. The final FFY 2004 budget resolution includes Senate language providing that any economic stimulus package should include at least \$30 billion in state fiscal relief, of which at least half should be in the form of an increase in the Medicaid match rate. The budget resolution does not include House language that would have provided \$92 billion less Medicaid funding over the next ten years. The Administration has not introduced a bill for its Medicaid reform proposal. A National Governors' Association task force is drafting a reform package, which it hopes to complete by mid-May.

FOR FURTHER INFORMATION, PLEASE CONTACT TOM GARTHWAITE, M.D., DIRECTOR AND CHIEF MEDICAL OFFICER, DEPARTMENT OF HEALTH SERVICES, AT (213) 240-8101.

HOMELAND SECURITY

County Position

Support the more effective targeting of homeland security funding based on relative need, population, and threat levels.

Support the direct allocation (or mandatory state pass-through) of homeland security funds to the County, which is responsible for coordinating emergency and terrorism response, planning, and operations, and health care throughout the 88 cities and unincorporated areas of Los Angeles County.

Support greater state and local flexibility over the use of homeland security funds.

Background

Since the September 11th terrorist attacks, there has been an intense Federal effort to improve homeland security. The recently enacted Federal Fiscal Year (FFY) 2003 supplemental appropriations bill provides \$2.3 billion for state and local homeland security activities. The President's proposed FFY 2004 budget includes \$3.5 billion for first responder grants, \$940 million for bioterrorism public health grants, and \$518 million for hospital preparedness grants.

Improve Targeting of Homeland Security Funds: Such funding is especially important to Los Angeles County, which has major potential terrorist targets, including internationally known landmarks and critical infrastructure, such as the nation's largest port complex (Ports of Long Beach and Los Angeles). More people also are at risk of being injured or killed in terrorist attacks in the County, which is the nation's most populous county. In fact, the County's population of nearly ten million is larger than that of all but eight states.

Federal homeland security funds, however, have been targeted to small population states and localities where relative need and terrorist threat levels are lower. Under the first responder (homeland security) grant administered by the Department of Homeland Security (DHS) and bioterrorism public health and hospital preparedness grants administered by Health and Human Services (HHS), the larger a state's population, the lower its per capita funding. Because California has the largest state population, it receives the least per capita funding. The State received about one-third less funds per capita than the average state under the \$566 million round of first responder grants announced in March 2003 and about one-fifth less bioterrorism funds in FFY 2003. The most populous states and urban areas, instead, should receive more funding commensurate with their higher level of need and risk of damage and death from terrorist attacks.

Direct Funding to the County: The FFY 2003 supplemental appropriations bill includes \$700 million for discretionary grants to high-threat urban areas that are in addition to \$100 million that is being released to seven urban areas (including Los Angeles City) under the DHS' Urban Area Security Initiative announced in

April 2003. All of Los Angeles County should be designated as a high-threat urban area because critical infrastructure and terrorist targets are located throughout the County and are not confined to the City of Los Angeles.

The County should directly receive and administer these grants for our area because it is responsible for coordinating emergency and terrorism response, planning, and operations, and health care throughout the 88 cities and unincorporated areas. The State passes through Federal first responder and emergency preparedness funds to the County in recognition of our role as the coordinator of the Los Angeles County Operational Area. The County also is one of only four local jurisdictions nationally that receive direct bioterrorism public health and hospital preparedness grants. The County, therefore, can ensure that discretionary grant funds are coordinated with other Federal homeland security grants that it already administers in consultation with other key stakeholders, including those representing cities, law enforcement, fire, hospitals, and other relevant agencies.

Greater Flexibility: Federal homeland security grant programs currently greatly limit local discretion over the use of funds. They generally limit the use of funds for personnel costs, and require state and local applicants to submit detailed information in their applications on how they will use the funds, including lists of items of equipment to be purchased. These detailed requirements are administratively burdensome and delay the use of funds to meet urgent needs, such as improving interoperable communications between first responders. Funds also cannot be used to reimburse otherwise eligible costs incurred prior to the receipt of funds, penalizing states and localities that do not want to wait to improve homeland security until after Federal funds are awarded.

The County supports greater state and local flexibility over the use of funds because needs and priorities will vary nationally. A “one size fits all” solution to improving homeland security will not work. To expedite the use of funds to improve homeland security, grant recipients also should be allowed to retroactively reimburse any eligible costs incurred in the fiscal year in which funds are appropriated. Instead of requiring applicants to specify how funds will be spent on eligible uses before they receive funds, they should be allowed to report expenditures after they are made.

Status

Congress has not yet begun action on any FFY 2004 appropriations bill relating to homeland security activities. DHS Secretary Tom Ridge has stated that homeland security funds need to be more accurately targeted based on factors such as critical infrastructure, population density, and threat levels.

FOR FURTHER INFORMATION, PLEASE CONTACT DAVID JANSSEN, CHIEF ADMINISTRATIVE OFFICER, AT (213) 974-1101.

STATE CRIMINAL ALIEN ASSISTANCE PROGRAM

County Position

Support increased appropriations for the State Criminal Alien Assistance Program (SCAAP) to reimburse state and local criminal alien incarceration costs.

Background

State and local taxpayers should not have to bear criminal justice costs resulting from the Federal government's inability to control illegal immigration and prosecute deported criminals who unlawfully reenter the country and commit new crimes.

The 1994 Crime Act established the State Criminal Alien Assistance Program (SCAAP) to reimburse state and local costs of incarcerating undocumented criminal aliens. Under the program, states and localities submit claims for eligible costs incurred in the most recent fiscal year which ended before the start of the Federal fiscal year. For example, Federal Fiscal Year (FFY) 2003 SCAAP funds will reimburse eligible costs incurred in California in its 2001-02 fiscal year. If total eligible state and local costs exceed available SCAAP funding, each jurisdiction is reimbursed on a pro rata basis.

SCAAP funding was cut to only \$250 million in FFY 2003, which is far below the prior year funding level of \$565 million and even farther below what is needed to fully reimburse state and local costs. For example, the County's FFY 2002 SCAAP payment of \$34 million reimbursed less than 40% of the County's total criminal alien jail costs. If the County receives the same percentage of total FFY 2003 funding as in the prior year, the County's SCAAP payment will drop to only \$15 million in FFY 2003.

This reduction already is having a devastating effect on public safety in California, which receives about 40% of total funding. Because SCAAP reimburses previously incurred costs and the State and its counties are facing major budget shortfalls, every dollar reduction in SCAAP reimbursement means a dollar less to spend on other essential public safety services. For example, in response to its budget shortfalls, in April, the County Sheriff's Department began releasing jail inmates convicted of misdemeanors after they served as little as 40% of their sentences. This early release policy will save about \$15 million annually, which is less than the County's estimated FFY 2003 SCAAP funding loss of \$19 million.

The FFY 2003 Appropriations Act cut SCAAP to help finance increases in homeland security programs, such as first responder (domestic preparedness) grants. However, the SCAAP funding cut will mean less funding for law enforcement agencies, which are on the frontlines of the war on terrorism, to improve homeland security in California. Law enforcement in the State will lose about \$126 million in FFY 2003 SCAAP funds, an amount that far exceeds California's \$20 million share of the \$250.6 million increase in first responder grant funds included in the same FFY 2003 Appropriations Act that cut SCAAP by \$315 million.

Status

The President's proposed FFY 2004 Budget would eliminate SCAAP. Congress has not yet begun action on the FFY 2004 Commerce-Justice-State appropriations bill, which funds Department of Justice programs, including SCAAP. The entire California Congressional delegation supports an increase in SCAAP appropriations to \$750 million in FFY 2004.

FOR FURTHER INFORMATION, PLEASE CONTACT SHERIFF LEE BACA AT (323) 526-5000.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES REAUTHORIZATION

County Position

Support TANF proposals that would maintain the County's flexibility to implement effective welfare-to-work programs.

Increase TANF and child care funding to help more families make the successful transition from welfare to work and self-sufficiency.

Background

The 1996 welfare reform law replaced the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance to Needy Families (TANF) program under which states receive an annual block grant equal to what they previously received under AFDC. California's annual TANF allotment is \$3.734 billion. The current authorization for TANF, which expired at the end of Federal Fiscal Year (FFY) 2002, has been temporarily extended through June 30, 2003.

In California, counties administer TANF through the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Los Angeles County's TANF caseload is larger than that of all but two states. After implementing CalWORKs in April 1998, the County has used TANF's broad flexibility to reduce welfare dependency and promote work. Between April 1998 and November 2002, the County helped CalWORKs families secure over 250,000 jobs, which far exceeds the cumulative total job placements during the final nine years of the AFDC program in the County.

Administration's Proposals to Increase Work Requirements: The Administration proposes to freeze TANF funding at pre-1996 levels through FFY 2008. Of major concern to state and local governments throughout the country, the Administration also proposes costly new work requirements that would greatly reduce the flexibility of states and localities to design welfare-to-work programs that are the most effective to meet local needs. Any other approach would undermine one of TANF's greatest strengths – state and local flexibility over the use of funds.

Under the Administration's mandatory work proposals, far more families (at least 70 %) would have to be engaged in more hours of work activity (40 hours a week) of which at least 24 hours would have to be employment, on-the-job-training, work experience, or community service. To meet these requirements, States would be forced to establish large-scale work or community service programs for recipients who cannot find paying jobs, including those for whom a different mix of employment, education, and supportive services would be more likely to lead to self-sufficiency.

California's Legislative Analyst's Office estimates that the added net cost of implementing the increased work requirements in California would be \$2.8 billion over the next five years. The County's Department of Public Social Services estimates that

the added annual cost in Los Angeles County would be \$257 million without counting future increased costs due to inflation. The added annual cost for child care alone would total \$176.6 million. Neither the State nor the County can afford to bear increased costs of such magnitude.

The County believes that TANF reauthorization should increase rather than reduce state and county flexibility. For example, Federal law should be amended to expand the activities that count towards work participation requirements to include supportive services, such as mental health and substance abuse treatment, if required by a recipient's employability plan. States should not be subject to work participation rate fiscal sanctions for providing services needed by TANF recipients to work and become self-sufficient.

Increase TANF and Child Care Funding: Helping more TANF recipients to work and improve their employment skills will require increased funding. Inflation, however, has eroded the value of TANF block grants to states, and this reduction would continue under the Administration's proposal to freeze TANF funding at pre-1996 levels through FFY 2008.

Many recipients will need employment, education, and supportive services to transition from welfare to economic self-sufficiency. Also, a high percentage will need child care, which is far more costly than TANF cash assistance. In Los Angeles County, the average monthly cost of child care for two children is more than double the average monthly TANF grant for a single parent with two children. Therefore, while TANF cash assistance caseloads have fallen, increased child care costs alone have substantially offset the grant savings. The County supports increased funding to meet the child care needs of low-income families.

Status

In 2002, the House passed a TANF reauthorization bill (H.R. 4737) that generally reflected the Administration's proposals, including freezing annual TANF funding levels and imposing increased work requirements, as described above. The Senate, however, did not pass a reauthorization bill, and TANF has been temporarily extended through June 30, 2003. On February 13, 2003, the House passed H.R. 4, a bill to reauthorize TANF that is virtually identical to last year's House-passed bill. The Senate Finance Committee has not yet scheduled any action on TANF reauthorization.

FOR FURTHER INFORMATION, PLEASE CONTACT BRYCE YOKOMIZO, DIRECTOR OF PUBLIC SOCIAL SERVICES, AT (562) 908-8383.

TRANSPORTATION EQUITY ACT REAUTHORIZATION

County Position

Support reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) which maintains or increases overall annual funding, provides for a more equitable allocation of funds to California and the County, and increases local flexibility over planning and use of funds.

Support increasing California's share of total funding relative to Federal taxes collected from California by allocating a greater share of funding based on relative need.

Support funding for five high priority highway projects requested by the County.

Background

The County's Department of Public Works maintains over 3,100 miles of major roads and streets in unincorporated areas and over 1,700 miles in 22 cities in Los Angeles County. Over the last five years, the County spent approximately \$94 million a year on bridges, grade separations, reconstruction, road widening, and traffic signals as well as on maintenance of roads and other transportation infrastructure.

The Transportation Equity Act for the 21st Century (TEA-21), which authorizes surface transportation grants to states and localities, expires at the end of Federal Fiscal Year (FFY) 2003. The County supports reauthorization of TEA-21 which maintains or increases overall annual funding, provides for a more equitable allocation of funds to California and the County, and increases local flexibility over planning and the use of funds.

The County is most concerned about the inequitable allocation of TEA-21 highway funds. In FFY 2001, California had about 12% of the total U.S. population, but received only about 9.3% (\$3.2 billion) of all funds allocated from the Highway Trust Fund (HTF). The State received about \$72 per capita, compared to a national average of \$96 and \$501 for Alaska. California would have received an even smaller share of total funding if it were not for the Act's "return-to-source" guarantee, which ensures that each state will receive at least 90.5% of Federal gasoline taxes collected from the state.

California would receive a far higher share of highway funds if TEA-21 were amended to allocate funds based on relative need, such as vehicle miles traveled, without "small state minimums" which guarantee small population states more funding per capita.

An example of how a small state minimum guarantee hurts California involves the Congestion Mitigation and Air Quality Improvement Program (CMAQ), which funds projects to reduce congestion and air pollution. CMAQ funding is important to the County because it has the nation's worst traffic congestion and air quality, and also

faces Federal fiscal sanctions for failing to meet Federal Clean Air Act standards. CMAQ funds are allocated based on the number of people in a state's "non-attainment" or "maintenance" areas that do not or previously did not meet Federal standards, except that each state is guaranteed at least 0.5% of total funding.

In FFY 2002, 22 states, including 11 states without a qualifying area, received more CMAQ funds than they otherwise would have received due to this small state minimum. As a result, Wyoming received far more CMAQ funds per capita than any state, including California, which has by far the most people living in non-attainment areas. California would have received \$26 million (8.1%) more CMAQ funds if the small state minimum guarantee were eliminated.

The County also recommends that funding be included in the TEA-21 reauthorization legislation for five high priority highway projects in Los Angeles County. Descriptions of these projects are attached to this paper. Just as with other TEA-21 programs, California does not receive a fair share of its "High Priority Project" funds. In FFY 2002, the State received only 9.4% of such funding even though it had 12% of the total U.S. population.

Status

The House and Senate have held hearings on TEA-21 reauthorization legislation, but no committee mark-ups have been scheduled. The County's Washington advocates have submitted funding requests for the County's five priority projects to Members of Congress representing the districts in which the projects are located. Similar to past transportation reauthorization legislation, it appears increasingly likely that the TEA-21 reauthorization bill will take more than one year to be enacted. Under this scenario, TEA-21 programs would be temporarily extended for one year, with reauthorization legislation enacted in 2004.

FOR FURTHER INFORMATION, PLEASE CONTACT JAMES A. NOYES, DIRECTOR OF PUBLIC WORKS, AT (626) 458-4000.

TEA-21 REAUTHORIZATION--PROJECT DESCRIPTIONS**Gale Avenue Widening (\$2 million)**

(38th Congressional District, Rep. Napolitano)

The project will widen Gale Avenue from four to six lanes between Fullerton Road and Nogales Street. Nogales Street also will be widened at its intersection with Gale Avenue to provide additional northbound left-turn capacity on Gale Avenue. The estimated total cost is \$7 million of which \$2 million in Federal funding is requested. This project represents a much needed expansion of the existing highway system, which is consistent with the Regional Transportation Plan. It is designed to augment two grade separation projects as well as an off-ramp improvement, thus reducing congestion on the adjacent State Route 60 freeway, Gale Avenue, and Nogales Street. The project meets mobility and air quality goals by improving the movement of goods to and from nearby industries, and by reducing rush-hour congestion.

Del Amo Boulevard Widening (\$3 million)

(37th Congressional District, Rep. Millender-McDonald)

The project will widen Del Amo Boulevard to four lanes between Normandie Avenue and New Hampshire Avenue. The total estimated cost of \$3 million is requested in Federal funding. Recent transportation improvements in the area have increased the importance of Del Amo Boulevard as a heavily traveled east-west corridor, which is less than one mile from both Interstate 110 and 405. Del Amo Boulevard is a Federal-aid Highway serving an area with concentrated industrial, retail, and residential development. The project will improve the movement of goods and commuter traffic, thus reducing the environmental impacts of air pollution, noise, and improving safety.

Kanan Dume and Malibu Canyon Tunnel Linings (\$3 million)

(30th Congressional District, Rep. Waxman)

The project will construct linings in the unlined sections of three tunnels on Kanan Dume Road and one tunnel on Malibu Canyon Road, as well as reconstruct the existing linings in all four tunnels. The total estimated cost is \$15 million of which \$3 million in Federal funding is requested. These roads are heavily traveled north-south connectors between U.S. Highway 101 and Pacific Coast Highway (State Route 1), carrying large volumes of daily commuter traffic as well as visitors to the Santa Monica Mountains National Recreation Area and the world-famous Malibu beaches. Groundwater seepage threatens the structural integrity of the tunnels. Lining the tunnels with modern materials will help ensure that these vital transportation corridors remain open and safe. Protecting these Federal-aid Highways will reduce ongoing maintenance costs, and alleviate delays and congestion caused by erosion.

Intersection Improvements—Colima Road at Fullerton Road (\$1 million)
(42nd Congressional District, Rep. Miller)

The project will provide for design and community outreach for improvements to enhance intersection mobility. The total estimated cost of \$1 million is requested in Federal funding. Colima Road is a Federal-aid Highway that serves as an alternate route to the Pomona Freeway (State Route 60), which carries large volumes of truck traffic to and from the Ports of Los Angeles and Long Beach as well as commuters. The signalization enhancements of this project will be part of an Intelligent Transportation System covering intersections along the 12 mile length of Colima Road. The project also will augment other street and grade separation projects planned to improve mobility on the Alameda Corridor East. Benefits will include reducing time lost for commuters and freight haulers, improving just-in-time deliveries, decreasing fuel consumption, and improving air quality and safety.

Big Rock Wash Bridge--State Route 138 (\$4 million)
(25th Congressional District, Rep. McKeon)

The project will build a four-lane bridge with a 16 foot wide median and 8 foot wide shoulders over Big Rock Wash to replace two, two-lane bridges that have no median and two foot shoulders. The estimated cost is \$25 million, of which \$4 million in Federal funding is requested with the remainder provided by the State. This bridge replacement project is a critical phase of the overall improvements to State Route (SR) 138, which is the main east-west artery connecting Palmdale and San Bernardino County. Projects totaling \$170 million are underway or being planned over an 18 mile stretch of SR 138 to improve its capacity and safety. The highway is unable to handle its current traffic volume of 22,000 cars per day, let alone the projected 34,000 cars per day by 2024. Moreover, 66 persons died and 1,300 were injured in traffic accidents on SR 138 between 1995 and 2001.

PUBLIC SAFETY COMMUNICATIONS SYSTEM CONVERSION

County Position

Support funding to enable public safety agencies to comply with the mandate to convert from broadband to narrowband radio frequencies, or to allow waivers from this mandate if adequate funding is not available.

Allow radio equipment manufacturers to continue to produce and sell broadband equipment until all agencies have converted to narrowband systems.

Allow public safety agencies to make needed changes to existing broadband radio systems, including expanding service area coverage, until they have completed the conversion to narrowband technology.

Background

In 1998, recognizing the importance of providing public safety agencies with sufficient radio spectrum to meet their voice, data, and interoperability needs, the Federal Communications Commission (FCC) issued a final rule that reallocated radio spectrum to public safety agencies and began the process of assigning new licenses for narrowband frequencies to public safety agencies. This rule did not set a deadline for public safety agencies to convert from using a broadband frequency to a narrowband frequency because it was expected that the availability of additional frequencies as well as operational problems with broadband frequencies would lead to voluntary conversion.

The County of Los Angeles received a narrowband license in April 1998 to protect against losing needed radio frequencies to other entities. The FCC granted the County the maximum allowable five year period for implementing a communications system using its newly acquired narrowband frequency. In August 2001, the County secured a three-year extension of this deadline from April 2003 to June 2006. Additional extensions are likely to be needed because the County lacks the resources to finance the more than \$400 million cost of converting from a broadband to narrowband public safety communications system. The entire conversion also is likely to take at least eight years to implement once funding is secured.

The County urges that the Federal government provide funding to public safety agencies, such as the County's, to enable them to convert from broadband to narrowband systems. The ability of public safety personnel to communicate with one another is critically important to improve homeland security, and to ensure the public's overall safety. Nationwide, state and local governments are facing their largest budget shortfalls since World War II, and, therefore, cannot afford the huge cost of converting their communication systems. If adequate funding is not provided, public safety agencies should be allowed more time to convert their systems.

The County also is concerned that the FCC is proposing new mandates and deadlines relating to the conversion from broadband to narrowband communications systems that will endanger the public's safety. In February 2003, the FCC released a Second Report and Order ("2nd R&O") and Second Further Notice of Proposed Rule Making that would:

- Require public safety agencies to migrate (convert) from broadband to narrowband systems by January 1, 2018;
- Prohibit public safety agencies from making applications for new operations or expanded coverage using broadband channels, beginning six months after publication of this "2nd R&O" in the Federal Register;
- Prohibit the certification of any equipment that can operate on broadband (25 kHz) channels, beginning January 1, 2005; and
- Prohibit the manufacture or importation of any equipment that can operate on broadband channels, beginning January 1, 2008.

While the County may be able to convert its public safety radio communications system from broadband to narrowband by January 1, 2018, it will not be able to do so by 2008. By prohibiting new operations or expanding coverage using existing broadband channels, the proposed rule will limit the County's ability to make needed improvements to Sheriff and Fire Department communications systems, such as extending coverage to newly developed, outlying areas of the County. Prohibiting the certification of broadband equipment beginning in 2005 and its manufacture and importation in 2008 could jeopardize the County's entire public safety communications system because the County would not be able to replace any defective broadband equipment, let alone buy better equipment.

Public safety agencies should be allowed to fully utilize and improve their existing broadband communications systems until they have completed their conversion to a narrowband system. Anything less will needlessly endanger the public's safety.

Status

As of April 29, 2003, the FCC had not published the Notice of Proposed Rule Making for the 2nd R&O in the Federal Register for review and comment. The County will be submitting comments communicating its concerns before the end of the 60-day comment period.

FOR FURTHER INFORMATION, PLEASE CONTACT DAVID JANSSEN, CHIEF ADMINISTRATIVE OFFICER AT (213) 974-1101, OR SHERIFF LEE BACA AT (323) 526-5000.